

REMARKS

The above amendments to the independent claims are intended to clarify the distinction between the present invention and Payton, Stepp, Iwamura, and Park references cited by the Examiner. In particular, claims 1, 10 and 13 have been amended to recite receiving an encrypted digital audio signal comprising a *digital audio broadcast* signal, which is known to contain data identifying the beginning of a broadcast segment, such as an individual song, for instance.

The Stepp patent requires *determining and inserting start time data* into the video signal being recorded (see Fig. 3, 314, and Column 5, Lines 13-15). To apply the method of the Stepp patent to the present invention, as the Examiner suggests, would be disadvantageous because the receiver device would be required to determine when the broadcast segment begins. As a result, an erroneous decision by the receiver would result in an erroneous recording. Typically, the beginning of a video broadcast signal is assumed to be at the beginning of each hour or half-hour. This assumption is ordinarily valid for television programming, as disclosed in the Stepp patent, which is regularly scheduled on the hour and half-hour. However, this scheme is deficient for the present invention directed to receiving and recording digital audio radio segments, such as songs, which do not begin and end at regular intervals in time. Rather, digital audio radio signals' start and end times occur at irregular intervals depending on the length of the preceding broadcast segments, how long the DJ speaks between songs, news interruptions, advertisements, and so on.

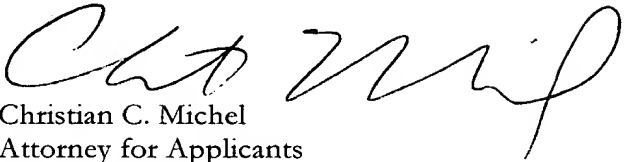
The Stepp system will result in recorded segments which erroneously do not correspond to the actual start times of broadcast segments because the receiver has to determine when the start time should occur, rather than relying on the *actual* start time which is embedded in a digital audio broadcast signal.

Furthermore, the remaining references do not teach or suggest storing a digital audio broadcast signal in a buffer, and recording from the beginning based on the known beginning of the segment which is encoded into the signal at the time of broadcast, rather than *inserted into* the signal by the receiver as the Examiner suggests in view of the Stepp patent.

In addition, because the present method of storing and recording broadcast segments is more accurate, it is suitable for a device which deducts monetary value from a "smart card" device in exchange for decrypting and permanently storing the broadcast segment.

For the above reasons it is submitted that claims 1-20 are in condition for allowance and notice to that effect is requested. If the Examiner has any questions regarding any of the foregoing, the Examiner is invited to contact the undersigned.

Respectfully submitted,



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VERSION WITH MARKINGS TO SHOW CHANGES MADE



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Claims 1, 10 and 13 were amended as follows:

1. (Thrice Amended) An apparatus for recording and playing a digital signal comprising:
 - a receiver for receiving an encrypted digital signal comprising a digital audio broadcast segment;
 - a buffer connected to said receiver for storing at least part of said digital signal as it is being received;
 - a recorder connected to said receiver for recording onto a first recording medium said encrypted digital signal in response to a user request if a beginning of said broadcast segment is in said buffer;
 - a player for playing said first recording medium and connected to a card reader;
 - and
 - a card having a predetermined value for insertion into said card reader;
 - wherein when said card is inserted into said card reader, said card reader verifies that said predetermined value is at least a selected minimum value and authorizes said player to decipher said first recording medium.

10. (Thrice Amended) A method for recording and playing digital signals, comprising:
 - receiving an encrypted digital signal comprising a digital audio broadcast segment;
 - storing said encrypted digital signal in a buffer as it is being received;
 - determining whether a beginning of said broadcast segment is in said buffer in response to a user request to record said encrypted digital signal;
 - recording said encrypted digital signal onto a first recording medium in a recorder and player device if said beginning of said broadcast segment is stored in said buffer;
 - inserting a card having at least a predetermined value into said recorder and player device;
 - determining that said predetermined value corresponds to at least a selected minimum value; and
 - deciphering said encrypted digital signal if said card has said selected minimum value.

13. (Thrice Amended) A method for recording and playing an encrypted digital audio broadcast signal, comprising:

- receiving an encrypted digital audio broadcast signal comprising a digital audio broadcast segment;
- storing at least part of said encrypted digital audio broadcast signal in a buffer as it is being received;
- electing to record said encrypted digital audio broadcast signal onto a first recording medium;
- determining whether a beginning of said broadcast segment is in said buffer; and
- recording said encrypted digital audio broadcast signal onto said first recording medium if said beginning of said broadcast segment is stored in said buffer.